



POLICY AND PROCEDURES

Rhode Island Department of Education
Office of Statewide Efficiencies
Child Nutrition Programs

School Nutrition Programs Emergency Operational Cost Reimbursement Program Frequently Asked Questions

BACKGROUND:

As part of the Consolidated Appropriations Act, 2021 (the Act), the United States Department of Agriculture's (USDA) Food and Nutrition Services (FNS) is offering additional funds to State Agencies administering the National School Lunch Program (NSLP) and School Breakfast Program (SBP) to provide local operators with additional reimbursements for emergency operating costs incurred during the public health emergency created by the novel coronavirus.

This reimbursement program will provide additional funding for School Food Authorities (SFAs) whose revenues declined or were temporarily interrupted during the early months of the pandemic due to COVID-19 related closures and restrictions. The amount of funding provided to each SFA has been determined by a statutory formula as established under the Act.

Below are some frequently asked questions adapted from FAQs released by USDA and from those received by RIDE. Any additional questions can be directed to Jessica Patroliia at Jessica.patroliia@ride.ri.gov or Dalila Townes at dalila.townes@ride.ri.gov.

Frequently Asked Questions:

1. Who is eligible for this program?

Any SFA which:

- Has an agreement with the State agency as described at 7 CFR 210.9 and/or 7 CFR 220.7(e);
- Filed valid reimbursement claims during any of the months of March – June 2019 or January – February 2020; and
- Filed valid claims for any of the months from September 2020 through the present; OR provided an assurance to the administering State Agency that they will file a claim during the first full semester/term (or equivalent) occurring after the end of the public health emergency.

2. I was closed for all or some of the months, March 2020 – June 2020. Am I still eligible for payment?

Being closed in all or some of the above months in 2020 does not preclude an SFA from being eligible for payment. Eligibility is based on the criteria outlined in question 1. If all other eligibility criteria are met and reimbursements were higher for the applicable months in March 2019 – June 2019 (or January – February 2020 for new SFAs) vs March 2020 – June 2020, the calculation will result in a payment.

3. How was my payment calculated?

Program reimbursements for meals and supplements earned under the NSLP, SBP, and Summer Food Service Program (SFSP) were included when calculating payment levels for SFAs under the School Programs Emergency Operational Costs Reimbursement Program.

In the calculation of payment amounts SFAs fall into two categories: “new” operators and all other operators. The benefits owed to program operators for each reimbursement month (March, April, May, and June 2020) were calculated separately.

Payment owed to other eligible SFAs were calculated by subtracting the total reimbursement amount received from NSLP/SBP/SFSP during each reimbursement month (March, April, May, or June 2020) from the corresponding total reimbursement amount earned during the reference month (March, April, May, or June 2019). The difference of those figures was multiplied by .55 for the months of April, May, and June. As the pandemic began in mid-March, the March result is divided by two to arrive at March 2020 payment.

Payments owed to eligible “new” SFAs were calculated similarly, except the reference period was the average of January 2020 and February 2020 NSLP/SBP/SFSP reimbursements rather than March 2019 – June 2019 reimbursements. An SFA could have certain month payments calculated based on the “new” SFA formula as well as “other eligible” SFA formula dependent on when the SFA began operating the NSLP/SBP.

4. When calculating payments, what constitutes “new” SFAs, as opposed to all other operators?

A new Program operator is defined as one that was not operating Child Nutrition Programs during a given month during the reference period of March, April, May, or June 2019.

5. If I did not operate in April 2020 (or another reimbursement month), will I simply receive 55 percent of my claim from the applicable reference month/period?

Yes. As there is nothing to subtract from the reference months claim, you would receive 55 percent of your claim from applicable reference month in 2019 or the alternative reference period (average of January/February 2020). In such cases, you will receive the maximum possible benefit under the calculation formula.

6. What is the CFDA # associated with this program?

The CFDA # associated with the School Meals Emergency Operating Costs Program is 10.555.

7. When must funds received by the state agency be spent by/What is the period of performance for this program?

These funds will be regarded as expended upon receipt by the program operator. Funds provided under this authority represent reimbursement to program operators for program performance and costs incurred in the past. They are not accompanied by specific future performance expectations beyond normal program expectations. As such, the program operator has already met all performance expectations of the award. Except as provided for in the first paragraph of question #8 below, these funds, like all reimbursements received in the program, should be deposited in the Nonprofit Food Service account and used in accordance with normal program requirements.

As a reminder, an SFA shall limit net cash resources to an amount that does not exceed three (3) months average expenditures for the nonprofit school food service program. If you believe the acceptance of these funds will result in a balance of greater than three months of average

expenditures you must work with RIDE to submit a spending plan for these excess funds.

8. What are the allowable uses for these funds?

Funds provided to program operators under this authority represent reimbursement for excess costs incurred during defined reimbursement period (**March 2020 – June 2020**). The funds may be used to reimburse any local source of funds used to supplement the Nonprofit Food Service account during the reimbursement period to offset the impact of pandemic operations on that account. If this approach is taken, the program operator must maintain documentation supporting these reimbursements for future audit or oversight purposes. Any remaining funds must be deposited in the Nonprofit Food Service account and be used in accordance with normal program requirements.

Other than the provision mentioned above, these funds are subject to the same performance/allowable cost rules as other NSLP reimbursement funds. As an overarching rule, nonprofit food service revenue must be used for operating the meal service and/or improving its quality and efficiency. Additionally, per the Federal cost principles all costs charged to Federal awards must be necessary, reasonable, allocable, and allowable. Examples of allowable uses of NSLP reimbursement funds include direct costs such as purchased food, food supplies and non-food supplies related to the operation of the NSLP program, salaries & benefits related to operating the NSLP program, food service equipment, media/promotional materials relating to the food service and contracted services related to the operation of the NSLP program. Please note that applicable procurement regulations (as found in 2 CFR 200.318 through 2 CFR 200.326) must be followed for any procurements using NSLP funds. Also, indirect costs can be allocated to the NSLP program if there is an approved cost allocation plan. Indirect costs represent the share of the organization's general overhead attributable to food service operations, including food service activities and support services provided by other organization departments that are recovered through an approved cost allocation plan.

Additionally, once deposited to the non-profit food service account these funds can be carried forward and used for future expenses or to offset future losses, so long as these funds don't result in carrying a balance that exceeds three months of average expenditures.

9. Am I still eligible for payments if I currently have a three month operating balance (excess net cash resources)?

Yes. The current balance of a program operator's nonprofit food service account is not taken into consideration under the calculation formula outlined in statute and guidance from FNS. In the event that payments would result in excess balances, you must work with RIDE to submit a spending plan for these excess funds.

For SFAs with a high positive cash balance, RIDE encourages you to make investments into your program that will directly impact the quality of meals served to students and align with statewide goals related to food access, general child nutrition, and local purchasing. Examples include, but are not limited to: purchasing equipment to support alternate service models, such as breakfast in the classroom; purchasing equipment that allows for the storage and processing of more locally sourced foods; and/or upgrading existing equipment to produce safe, high quality meals. For more information regarding using these funds for equipment purchases, see question 10.

10. Can I use these funds to purchase equipment?

Yes, equipment purchases are an allowable use of these funds. Please note that the applicable Federal procurement regulations (as found in 2 CFR 200.318 through 2 CFR 200.326) must be followed for equipment purchases and all uses of NSLP Federal funds. Additionally, for equipment purchases over \$5,000, prior approval must be received from RIDE by submitting the [equipment preapproval form](#).

11. When will these payments be disbursed?

RIDE has until January 31, 2022 to disburse funds to program operators and will make payments on rolling basis up until that date or until the date that all eligible SFAs have received payment, whichever is first. Your specific disbursement date will be dependent on when you submit your intent to participate and return the required assurance statement, if applicable.

12. What do I have to do to receive the payments?

In order to receive payment, you must respond to the email sent by RIDE (Jessica Patroliia) on June 2, 2021 indicating your intent to participate in this program and agreeing to the terms of acceptance of the funds. Additionally, some SFAs may be required to submit an assurance in order to receive payment, which will be sent to you by RIDE via docusign.

13. I operate the National School Lunch Program (NSLP) and the CACFP. Why am I receiving notification of eligibility under both the CACFP Emergency Operational Costs program and the SNP Emergency Operational Costs Program and why are the amounts different?

There are two separate Emergency Operational Costs programs, one for program operators of the NSLP/SBP and one for program operators of the CACFP. If you are an SFA that operates both the NSLP and CACFP and you meet all the eligibility criteria you can receive reimbursement under both programs. The amount of reimbursement will be different under both these programs as the meal program reimbursements used to calculate the payments are different. SNP Emergency Operational cost payment is calculated based on program reimbursements for meals and supplements earned under the NSLP, School Breakfast Program (SBP), and Summer Food Service Program (SFSP). CACFP Emergency Operational Costs reimbursement is based off of CACFP meal reimbursements. If you are eligible for both of these programs you will receive two separate payments from RIDE.

REFERENCES

[USDA Memo SP-06, 2021 - CACFP-05, 2021: Child Nutrition Programs Emergency Operating Costs During COVID-19](#)

[USDA Q&A for Program Reimbursement for Emergency Operational Costs for Child Nutrition Programs during the COVID-19 Pandemic](#)

[USDA Child Nutrition Emergency Operational Costs Reimbursement Programs: Q&A #2](#)